



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1076

DATE: January 9, 2012

TO: Iowa Medicaid Physicians and Advanced Registered Nurse Practitioners

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Non-Rebatable Physician Administered Drugs

EFFECTIVE: Immediately

In 2008, Informational Letter 693 (and others) described a requirement that providers are to report the 11-digit National Drug Code (NDC) on all “J” code drugs administered in an office/clinic or other outpatient setting. The purpose of the reporting requirement is to allow Medicaid to collect rebates from drug manufacturers for products paid through the program.

The IME will only pay claims for those J code drugs with NDCs that are rebatable per the Omnibus Budget Reconciliation Act of 1990 (OBRA'90). The IME maintains a list of the rebatable NDC numbers at: <http://www.ime.state.ia.us/Providers/DrugList.html>.

The rebatable drug list on the IME website is simply a copy of the quarterly Centers for Medicare and Medicaid Services (CMS) drug rebate file at the point in time in which CMS sends the file out to the state Medicaid programs. Changes are not made to these lists. While the NDCs for certain J code drugs may be on later CMS lists (inclusive of prior dates) the IME system cannot automatically process such prior dates of service due to technical limitations. Prior quarterly rebatable drug lists posted on the IME website cannot be updated to add NDCs for prior dates that may be reflected on a current CMS drug rebate file.

In any case where the drug or specific NDC does not appear on the IME rebatable drug list for a date of service and has been denied by the IME and the provider understands that the drug **should be** rebatable for the date in question, the provider should contact Provider Services at the number below and refer to this Informational Letter. In addition to provider information, please be prepared to include the affected date(s) of service, the drug name and NDC, the J code that was billed and the member's name and Medicaid state ID when contacting us.

Provider Services will then send a request to verify the most up to date information on the drug and reprocess the claim (if necessary, to correct an inappropriate denial). After verification, the provider will be notified of the outcome by the IME Provider Services Unit.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or email at imeproviderservices@dhs.state.ia.us.